



PRESS RELEASE

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SCOTTSDALE WOMAN INDICTED FOR 13 MILLION DOLLAR INVESTMENT SCAM

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on December 16, 2003, a federal grand jury at Phoenix, Arizona, returned a 44 count indictment against Sherry Stewart, Date of Birth, 3/18/42, of Scottsdale, Arizona.

The indictment alleges that STEWART promoted "High Yield Investment Programs" and "Managed Trade Programs" to prospective investor-victims, including the nine victims alleged in the indictment. These programs can generally be described as investment schemes that claim to offer above average market returns with below market risk through the trading of bank "instruments. In order to induce investors to participate, STEWART advertised that the program was sponsored by the Federal Reserve, that federal compliance officers would be reviewing each transaction, and that investment funds would be placed in a Federal Reserve account with a securities firm "licensed by Securities Exchange Commission."

During the period alleged in the Indictment, over \$13 million of investor funds were deposited into bank accounts controlled by STEWART. The indictment alleges that she converted at least \$4.8 million of investor funds to her personal use, including the purchase of a \$3.8 million home in Paradise Valley,

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Arizona, and large purchases of artwork from several galleries in Scottsdale, Arizona in excess of \$455,000.00.

The federal indictment charges STEWART with Mail Fraud, Wire Fraud, and Money Laundering, Title 18 of the United States Code, Sections 1341, 1343, 1956 (a)(1)(A)(i), and 1957, respectively.

A conviction for these charges carry a maximum penalty of 20 years, a fine of \$250,000, or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Bureau of Immigration and Customs Enforcement.

The prosecution is being handled by Ashley Adams-Feldman, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-03-1269-PHX
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